

Washington State Auditor's Office
Audit Report

Whatcom Conservation District
Whatcom County

Audit Period
January 1, 1997 through December 31, 1999

Report No. 62128

Issue Date
April 6, 2001



Washington _____
State Auditor

Brian Sonntag

Audit Summary

**Whatcom Conservation District
Whatcom County
January 1, 1997 through December 31, 1999**

ABOUT THE AUDIT

This report contains the results of our independent audit of the Whatcom Conservation District for the period of January 1, 1997, through December 31, 1999.

We performed our audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also audited the financial statements and evaluated internal controls established by the District's management. Our work focused on specific areas that have potential for abuse and misuse of public resources.

RESULTS

The District complied with state laws and regulations and its own policies and procedures in the areas we examined.

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Whatcom County
January 1, 1997 through December 31, 1999**

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Description of the District

Whatcom Conservation District Whatcom County January 1, 1997 through December 31, 1999

ABOUT THE DISTRICT

The District is committed to providing technical assistance and promoting conservation education to foster healthy relationships between the environment and people. The District is governed by a five-member Board of Supervisors in which three are elected and two are appointed by the Conservation Commission. The District has 10 employees and had revenues of \$578,263, \$545,428 and \$798,847 in 1997, 1998, and 1999, respectively.

ELECTED/APPOINTED OFFICIALS

These officials served during the audit period:

Elected Officials:

Board of Supervisors:

Bastian Scholten
Joy Hawley
Frank Bob
Deborah DeJong
Steve Groen

Appointed Officials:

Board of Supervisors:

Veronica Wisniewski
Karen Steensma
Ken Thomas
George Boggs

District Manager

Note: Joy Hawley was replaced by Frank Bob in October 1998, Frank Bob was replaced by Deborah DeJong in December 1998, and Karen Steensma was replaced by Ken Thomas in March 1997.

ADDRESS

District

6975 Hannegan Road
Lynden, WA 98264

Audit Areas Examined

Whatcom Conservation District Whatcom County January 1, 1997 through December 31, 1999

In keeping with general auditing practices, we do not examine every portion of the Whatcom Conservation District's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Open Public Meetings Act
- Conflict of interest
- Grant compliance
- Deposit of public funds
- Legal investments
- Legal expenditures

INTERNAL CONTROL

We evaluated the following areas of the District's internal control structure:

- Cash receipting
- Cash disbursements

FINANCIAL AREAS

In addition to the financial-related work listed in other categories, we audited the following areas:

- Overall presentation of the financial statements
- Cash and investments

Audit Overview

Whatcom Conservation District Whatcom County January 1, 1997 through December 31, 1999

AUDIT HISTORY

There were no findings as a result of the prior audit. We found the Whatcom Conservation District's staff to be helpful throughout the course of the audit and responsive to audit recommendations made by our Office.

CONCLUSIONS

In the areas we examined, we found the District complied with state laws and regulations and its own policies and procedures. We also found the District's financial statements were accurate and complete.

We thank District officials and personnel for their assistance and cooperation during the audit.

Independent Auditor's Report on Compliance with State Laws and Regulations

Whatcom Conservation District Whatcom County January 1, 1997 through December 31, 1999

Board of Supervisors
Whatcom Conservation District
Lynden, Washington

We have audited the financial statements of the Whatcom Conservation District, Whatcom County, Washington, as of and for the years ended December 31, 1999, 1998 and 1997, and have issued our report thereon dated December 21, 2000.

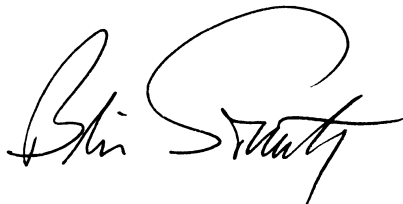
We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the District complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the District's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the District and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the District complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

However, we noted certain matters involving noncompliance not significant enough to report as findings that we have reported to management of the District in a separate letter dated March 14, 2001.

This report is intended for the information of management and the Board of Supervisors and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



BRIAN SONNTAG, CGFM
STATE AUDITOR

December 21, 2000

Independent Auditor's Report on Financial Statements

Whatcom Conservation District Whatcom County January 1, 1997 through December 31, 1999

Board of Supervisors
Whatcom Conservation District
Lynden, Washington

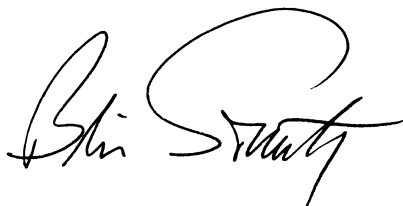
We have audited the accompanying financial statements of the Whatcom Conservation District, Whatcom County, Washington, for the years ended December 31, 1999, 1998 and 1997. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the District prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of the Whatcom Conservation District for the years ended December 31, 1999, 1998 and 1997, on the cash basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of Expenditures of Federal Awards and Schedule of State and Local Financial Assistance are presented for purposes of additional analysis. These schedules are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.



BRIAN SONNTAG, CGFM
STATE AUDITOR

December 21, 2000

Financial Statements

**Whatcom Conservation District
Whatcom County
January 1, 1997 through December 31, 1999**

FINANCIAL STATEMENTS

Resources and Uses Arising From Cash Transactions – 1999
Resources and Uses Arising From Cash Transactions – 1998
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Notes to Financial Statements – 1999, 1998 and 1997

ADDITIONAL INFORMATION

Schedule of State and Local Financial Assistance – 1999
Schedule of State and Local Financial Assistance – 1998
Schedule of State and Local Financial Assistance – 1997
Schedule of Expenditures for Federal Awards – 1999
Schedule of Expenditures for Federal Awards – 1998
Schedule of Expenditures for Federal Awards – 1997
Notes to Schedule of Expenditures for Federal Awards and State and Local Financial Assistance
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